



ADVOCACY TRAINING AND RESOURCE CENTER
Financial Statements
Period ended 31 December 2003
With Independent Auditors Report Thereon

Department of Community
Development, Planning and
Economic Growth

The accompanying financial statements were prepared by the management of the Advocacy Training and Resource Center, a non-profit organization, and are presented in accordance with the accounting principles generally accepted in the United States of America.

The financial statements have been audited by the independent auditors, who have issued their report thereon. The auditors' report is included in the financial statements and should be read in conjunction with the financial statements.

The financial statements are prepared on a cash basis of accounting, except for the depreciation of fixed assets, which is recorded on an accrual basis.





Bashkim Uka
Licensed Auditor
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25 April 2004

Attn: ATRC Board of Directors
Rr. Agim Ramadani, 15 (2nd Floor)
Prishtina - Kosova

We have audited the financial statements and supplementary financial data of Advocacy Training and Resource Center (ATRC) expressed in EUR, for the period 1 August – 31 December 2003. These financial statements and supplementary financial data are the responsibility of the project's management. Our responsibility is to express an opinion on the aforementioned financial information based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reporting forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reporting forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the proper accounting and reporting of the data on the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information present fairly, in all material respects, the financial position of ATRC as of 31 December 2003 and the results of operations in accordance with International Standards of Accounting and Kosovo Standards of Accounting.

A handwritten signature in blue ink, appearing to read 'B. Uka'.

Bashkim Uka

Licensed Auditor



For the period ending
1 August – 31 December 2003

Balance Sheet

Assets			Liabilities		
	Notes			Notes	
		EUR			EUR
Cash	1	9,892.33	Accounts Payable		
Accounts Receivable	2	5,124.90	Grants Payable		
Notes receivable			Deferred Revenue		
Inventory			Mortgages and other Notes payable		
Investments			Other liabilities		
Securities			Total Liabilities:		
Other					
Land, buildings, and equipment	3	35,396.04	Fund Balance:		
Other assets	4	631.00			
			Fund balance as of 1 August 2003	5	56,639.77
			Excess (from income statement)		-5,595.5
			Total Balance:		51,044.27
Total Assets:		51,044.27	Total Liabilities and Fund Balance:		51,044.27

Income Statement

Revenue	Notes	EUR	Expenses	Notes	EUR
Contributions, gifts or grants	6	53,026.28	Program services	8	62,996.98
Fees and revenues from activities	7	4,364.5			
Dues			Other Expenses	10	6,170.20
Dividends and interest					
Rents					
Other investment income			Total Expenses:		69,167.18
Sale of assets					
(less cost of sales)			Net Income from Operations:		-5,595.5
Special event revenue					
Gross sales of inventory					
(less cost of goods sold)					
Other revenue	8	6,180.9	Taxes		
Total Revenue:		63,571.68	Net Income:		-5,595.5

INTRODUCTION

1. Background

Advocacy Training and Resource Center (ATRC) is registered as a non-governmental organization under the UNMIK Regulation 1999/22, number 5200095-5 since 11 June 2003.

2. Specific Activities and Field Examination

ATRC is an advocacy center that promotes issues confronting Kosovo's development. ATRC works in the field of freedom of information. ATRC administers specialized trainings to increase the capacity of NGOs and civil society to influence governing structures through democratic means. ATRC publishes advocacy-related periodicals, organizes meetings with government on pertinent issues. ATRC generates income from its resource center that is composed of training hall, training equipment and a library. ATRC is a member organization of several local and international networks.

ATRC is supported by the United States Agency for International Development, East West Management Institute and Foundation for Democratic Initiatives.

3. List of Documents Confirmed and Audited

- Internal Regulation
- Financial Statements
- Vouchers for the period 1 August – 31 December 2003
- Inventory and Asset List
- Bank Statements 2003
- Tax Files
- Rental Agreement
- Reports 03
- Employee Follow Up
- Income Tax/ Pension Fund
- Personnel Files
- Reports from the Seminars and Workshops
- ATRC Contracts for:
 - i. Trainers
 - ii. Translators

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

For the purposes of financial recording, ATRC uses the cash method of accounting for reporting the receipt and disbursement of ATRC funds. Under this method of reporting of financial transactions, ATRC records the actual receipts and disbursements occurring in a given period.

(b) Summary of Accounting Policies

The financial statements are presented in EUR, the functional currency within the Territory of Kosovo.

Receivables

Advances to employees, when permitted by donors are recorded in the Balance Sheet at amounts due. Claims from the insurance companies for the stolen equipment are shown at net value of assets.

Land, Building and equipment

Tangible fixed assets are shown at historical cost or valuation. Tangible assets are depreciated on the straight-line method over their estimated useful lives. The average estimated useful lives of assets are 5 years. Estimated useful life of the project's vehicle is 6 years.

Cash and cash equivalents

Cash and cash equivalent comprises cash balances and call deposits.

Revenue

Revenue from renting out the resource center, training equipment and other related services are recognized in the income statement over the course of the activity. Revenue are a share cost with FDI in Gjakova, and those are recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of the revenue can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page
1 Cash and cash equivalents	8
2 Accounts Receivable	8
3 Land, building and equipment	8
4 Other assets	8
5 Funds balance	8
6 Contributions, gifts or grants	9
7 Fees and revenues from activities	9
8 Other revenue	9
9 Program Services and Other Expenses	9

	In EUR
1. Cash and cash equivalents	
ATRC Project Account	4,078.56
Project's petty cash	140.07
ATRC Income Account	4,856.50
ATRC Income petty cash	245.00
Funds of donors left from previous projects	572.20
Total Cash and cash equivalents	<u>9,892.33</u>

Cash and cash equivalents comprise cash balances of the Bank Accounts and Cash Boxes.

ATRC has three bank accounts in Procredit Bank in Prishtina. ATRC keeps receipts from KNAP in separate bank account to that of self-generated revenues from resource center and rendering of training services.

As requested by donors, funds from donor grants, CIDA and CARE, for the activities prior to separation from KNAP are kept in separate bank account.

2. Accounts Receivable

Total Accounts Receivable	<u>5,124.90</u>
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At the end of the period, ATRC recognized as receivables outstanding part of stolen assets against security guarding company. Outstanding part of the claims was EUR 5,124.90 after have been reimbursed earlier in the period for the remaining part.

3. Land, Building and Equipment

	Accumulated depreciation	Net asset value
Computer equipment	(474.70)	2,866.06
Office equipment	(2,330.40)	8,055.07
Vehicle	(6,222.47)	24,474.94
Total Assets	<u>(9,027.57)</u>	<u>35,396.04</u>

4. Other assets

Prepayment	631.00
Total Other Assets	<u>631.00</u>

Approved by the donor, ATRC at the end of the period prepaid an employee in the amount of EUR 631.00

5. Fund balance as of 1 August 2003

Total Fund balance as of 1 August 2003	<u>56,639.77</u>
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KNAP carried over to ATRC at the beginning of activities on 1 August an amount of EUR 6,910.75 and has granted assets of net value of EUR 40,661.96, revenues from fees carried over EUR 737.0 and from other donors EUR 640.2. In addition, ATRC had in accounts receivable EUR 7,689.86.

6. Contributions, gifts or grants

Disbursement by KNAP during the period

53,026.28

Total Contributions, Gifts and Grants

53,026.28

7. Fees and revenues from activities

Total Fees and revenues from activities

4,364.50

ATRC has generated revenues from renting the raining Hall, training services and lease of equipment for the period from 1 August – 31 December 2003 in an amount of EUR 2,035.00. For the period before August the revenues generated were EUR 2,329.50.

8. Other Revenue

Other Donors

6,180.00

Total other revenues

6,180.00

ATRC during the period has received revenues from EWMI for a project carried out in the Gjilan Region. ATRC received EUR 6,180 for the project.

9. Program services and Other Expenses

Salaries

18,914.32

Overheads

37,374.95

Training

5,923.60

Meetings and Conferences

784.11

Other projects (Gjilan)

6,170.20

Total Program services and Other Expenses

69,167.18